

# USMX PROFILE DATA

## PROFILE OF USMX, INC.

USMX, INC., is in the business of exploring, acquiring, developing and operating mineral properties in North America. In its twelve year history, USMX has evolved from an exploration company into a fully integrated, profitable gold mining company. USMX currently operates two mines and recovers gold at three processing sites in eastern Nevada. In its three and one half years as an operating entity, USMX has produced nearly 130,000 ounces of gold and plans on producing more than 50,000 ounces during 1992.

Current exploration, development and production plans at Alligator Ridge are designed to bring on two new mines over the next several years, dependent on gold prices and permit approval, and to continue to increase production and total gold resources significantly. Toward this end, total contained gold resources were increased to 683,288 ounces by the end of 1991, of which 545,500 ounces are proven and probable, a 355% increase from the previous year. Production in 1992 should increase approximately 25% over 1991. The Alligator Ridge property acquired by USMX in 1990 continues to be the keystone of its production strength and possesses excellent additional gold discovery potential.

USMX's strong financial position is of prime importance when evaluating the Company as an investment opportunity. USMX has a meaningful positive cash flow, a strong earnings history, no long-term debt, \$11.4 million of working capital, and stockholders' equity of \$1.34 per share. USMX has a highly competent senior management team, including a multidimensional Board, fully capable of continuing to sustain and improve its development and production efforts, as well as to pursue significant new growth through exploration and acquisition.

## SELECTED FINANCIAL DATA

Amounts in Thousands, except per share data:

Year Ended December 31,	1991	1990	1989	1988	1987
Revenues .....	\$17,564	\$ 16,054	\$ 14,556	\$ 5,760	\$ 789
Net Income (loss) .....	1,928	2,923	2,435	(55)	(1,310)
Net Income (loss) per share .....	\$ 0.14	\$ 0.21	\$ 0.18	-	\$ (0.10)
Current Assets .....	\$14,140	\$ 12,821	\$ 10,095	\$ 6,974	\$ 9,258
Total Assets .....	26,195	21,132	15,651	13,465	12,048
Current Liabilities .....	2,713	2,239	1,287	1,330	280
Stockholders' Equity .....	20,052	17,359	14,283	11,824	11,699

USMX is undervalued in relation to its cash balances, gold reserves and exploration potential at Alligator Ridge.

## STOCK DATA (AS OF 4/22/92)

NASDAQ-NMS .....	USMX
Recent Price .....	\$1.60
52 Week Range .....	\$1.06-\$2.31
Shares Outstanding .....	14,954 million
Market Capitalization .....	\$23.5 million
Market Cap per Ounce of Gold Resource .....	\$30

## CORPORATE HIGHLIGHTS

Gold Production (Ounces)	
1989 .....	32,662
1990 .....	41,282
1991 .....	42,329
1992 estimate .....	50,000

- Proven profitable operator
- Financially strong with \$11.44 million in working capital
- No debt
- 683,288 ounces total contained gold resource, including 545,500 ounces proven and probable reserves (a 355% increase over prior year)
- Cash production costs of \$258 per ounce during 1991
- Return on equity: 11.1% for 1991
- Major stockholders are Pegasus Gold, Inc., (32.3%); Van Eck Funds, (11%); Placer Dome US, Inc., (6.7%)





## PROPERTY PORTFOLIO

### PRODUCTION STAGE

#### Casino/Winrock, Nevada

- Both the Winrock and Casino mines are controlled 100% by USMX, subject to a 5% gross royalty.
- Due to their proximity, ores are treated at a common facility.
- Gold production for 1991 was 19,979 ounces.
- For 1992, production is estimated at 23,000 ounces at a cash cost of \$230 per ounce.

#### Yankee, Nevada

- Current reserves: 2.12 million tons, 0.044 ounces gold per ton.
- Construction of all facilities will be completed by the second quarter, 1992. Total project costs of \$4.0 million. Financed internally from cash balances and cash flow.
- Mining started in late 1991. Leaching and gold production to commence in second quarter of 1992.
- For 1992, production is estimated at 15,400 ounces at a cash cost of \$284 per ounce.

#### Alligator Ridge Mine, Nevada

- Re-leaching of some of the existing heaps recovered 17,366 ounces of gold at a cash costs of \$179 per ounce during 1991.
- Re-working of a significant portion of the estimated 7.0 million tons of existing heaps will occur during 1992. Shallow drilling and low yield blasting of the heaps to improve percolation of gold recovery solutions should extend the productive life of the heaps.
- For 1992, production is estimated at 10,500 ounces of gold at a cash cost of \$244 per ounce.

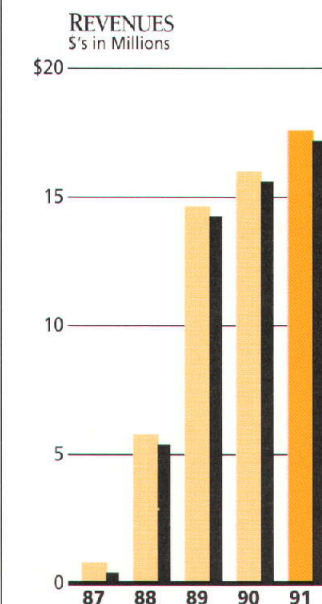
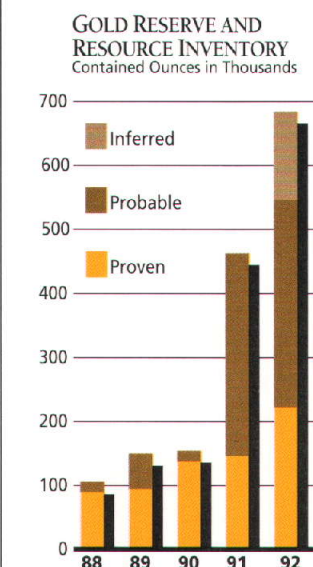
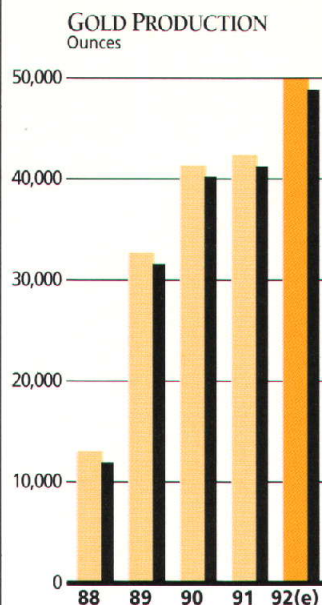
#### Montana Tunnels, Montana

- USMX earns \$720,000/year royalties from Pegasus' Montana Tunnels Mine. Once initial capital and certain other costs have been recovered this royalty changes to a 50% net profits interest. Unless the gold and/or zinc prices rise sharply or new ore reserves are found, it is unlikely that the higher net profits interest figure will ever be received. However, the \$720,000/year should continue for approximately seven more years.

## DEVELOPMENT AND EXPLORATION STAGE

#### Alligator Ridge Area

- USMX is actively exploring its substantial land holdings (+32,000 acres) in the Alligator Ridge area of eastern Nevada. Results of exploration and development activities over the past year have resulted in the definition of



a total contained gold resource (open pit minable, heap leachable) in the Alligator Ridge area of 683,288 ounces, including 545,500 ounces in the proven and probable reserve category as of 1/6/92. Potential exists for significantly improving these reserve figures over the next several years.

#### Kinsley Mountain, Nevada

- USMX has a 40% working interest — Cominco American Resources Inc. (60% interest) is the operator.
- A feasibility study has been completed on the 2.1 million ton, 0.048 opt gold reserve, yielding approximately 40,000 contained ounces to USMX.

#### Other

- USMX also continues to actively evaluate a number of other properties in the western U.S. and Mexico (several of which contain known gold inventories), and is reviewing attractive opportunities of significant financial magnitude throughout North and Latin America.
- The exploration budget devoted to all efforts is currently on the order of 2 million dollars annually, with additional funds available for property acquisition if warranted.

## LIST OF OFFICERS AND DIRECTORS

**James A. Knox** President and

Chief Executive Officer and Director

**Dennis L. Lance** Vice President of Exploration

**Donald E. Nilson** Vice President Finance,  
Secretary/Treasurer

**Paul B. Valenti** Vice President of Operations

**George J. Allen** Director, President of  
Allen Engineering Company

**Stanton B. Bennett** Director, Retired Chief  
Legal Counsel of Pegasus Gold, Inc.

**Terry P. McNulty** Director, President of  
T.P. McNulty & Associates Inc.

**Gregory Pusey** Director,  
President of Livingston Capital Ltd.

**Robert Scullion** Director, Partner of Scullion,  
Beekmann & Company

**John M. Willson** Director, President and  
CEO of Pegasus Gold, Inc.

# USMX

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